

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

G-04204A

UNS Gas, Inc.

Attention: Karen Kissinger-Vice President, Controller & Chief Compliance Officer

P.O. Box 711, Mail Stop OH-120

Tucson, AZ 85702

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ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

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PROCESSED BY:

4-17-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) UNS Gas, Inc.

Mailing Address P.O. Box 711, Mail Stop OH-120
(Street)

Tucson Arizona 85702
(City) (State) (Zip)

520-571-4000 520-571-4160 N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address ateller@tep.com or kkissinger@tep.com

Local Office Mailing Address P.O. Box 711, Mail Stop OH-120
(Street)

Tucson Arizona 85702
(City) (State) (Zip)

520-571-4000 520-571-4160 N/A
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address ateller@tep.com or kkissinger@tep.com

MANAGEMENT INFORMATION

Management Contact: David Couture Director, Regulatory Services
(Name) (Title)

One South Church Avenue, Mail Stop UE201 Tucson Arizona 85702
(Street) (City) (State) (Zip)

520-884-3752 520-884-3601 N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address dcouture@tep.com

On Site Manager: Gary Smith Vice President and General Manager
(Name)

2901 W. Shamrell Blvd., Suite 110 Flagstaff Arizona 86001
(Street) (City) (State) (Zip)

928-226-2233 928-226-2203 N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address gasmith@uesaz.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Diana K. Durako

(Name)

One South Church Avenue, Suite 1820

(Street)

Tucson

(City)

Arizona

(State)

85701

(Zip)

520-571-4000 ext. 3652

Telephone No. (Include Area Code)

520-571-3612

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: Raymond S. Heyman

(Name)

P.O. Box 711

(Street)

Tucson

(City)

Arizona

(State)

85702

(Zip)

520-571-4000 ext. 3635

Telephone No. (Include Area Code)

520-571-3612

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☒ APACHE

☐ COCHISE

☒ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☒ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☒ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

☐ **Electric**

- ☐ Investor Owned Electric
- ☐ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
- ☐ Transmission Service Provider
- ☐ Meter Service Provider
- ☐ Meter Reading Service Provider
- ☐ Billing and Collection
- ☐ Ancillary Services
- ☐ Generation Provider
- ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☒ **Gas**

- ☒ Natural Gas
- ☐ Propane

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residential access lines	_____
Total business access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	
Residential	
Commercial	
Industrial	
Public street and highway lighting	
Irrigation	
Resale	
Total kilowatt-hours sold	kWh
Residential	
Commercial	
Industrial	
Public street and highway lighting	
Irrigation	
Resale	
Maximum Peak Load	MW

GAS UTILITIES ONLY

Total number of customers (at 12-31-06)	145,077
Residential	132,534
Commercial	11,427
Industrial	19
Irrigation	5
Public Authority	1,067
Transportation Service with Negotiated Sales Program Contract (1)	14
Transportation Service without Negotiated Sales Program Contract (2)	9
Electric Generation (3)	2
Total therms sold	235,034,057 therms
Residential	69,805,899
Commercial	30,166,649
Industrial	2,850,638
Irrigation	81,428
Public Authority	7,020,748
Transportation Service with Negotiated Sales Program Contract (1)	17,059,932
Transportation Service without Negotiated Sales Program Contract (2)	5,917,230
Electric Generation (3)	102,131,533

- (1) Under the Company's Negotiated Sales Program tariff, it may compete for the gas commodity business of its transportation customers. This line includes those transportation customers for which we also provide their gas commodity.
- (2) Transportation Service customers are billed a usage rate that does not include the cost of gas. Quantity indicated represents customer procured gas delivered through UNS Gas, Inc. facilities.
- (3) UNS Gas transports gas to two electrical generating facilities. The quantity indicated represents the total volume of gas delivered to these customers over UNS Gas facilities irrespective of whether such gas was procured by the customer or UNS Gas.

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Karen G. Kissinger, VP, Controller & CCO
COMPANY NAME
UNS Gas, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 176,148,615

(THE AMOUNT IN BOX ABOVE
INCLUDES \$14,165,890 IN SALES AND FRANCHISE
TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

Karen G. Kissinger
SIGNATURE OF OWNER OR OFFICIAL
520 - 745-3122
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

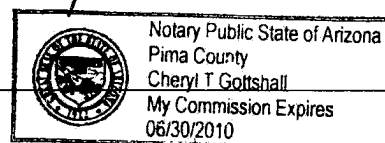
THIS 17th DAY OF

(SEAL)

COUNTY NAME	<u>Pima</u>
MONTH	<u>April</u> .20 <u>07</u>

Cheryl J. Gottshall
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 06/30/2010



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Karen G. Kissinger	TITLE VP, Controller & CCO
COMPANY NAME UNS Gas, Inc.	

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FOR THE YEAR ENDING

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SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 105,659,688

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 9,113,920 IN SALES AND
FRANCHISE TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Karen G. Kissinger
SIGNATURE OF OWNER OR OFFICIAL
520-745-3122
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

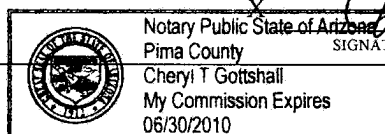
1/4

DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME <u>Cheryl T. Gottshall</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>April</u>	20 <u>07</u>



FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2006) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

See attached financial statements.